

## **TITLE 55 INDIANA ECONOMIC DEVELOPMENT CORPORATION**

*NOTE: Under P.L.4-2005, SECTION 152, the name of the Department of Commerce is changed to the Indiana Economic Development Corporation, effective February 9, 2005.*

### **ARTICLE 1. NEIGHBORHOOD ASSISTANCE CREDIT PROGRAM**

#### **Rule 1. General Provisions (Repealed)**

*(Repealed by Department of Commerce; filed Apr 29, 1982, 10:30 am: 5 IR 1172)*

#### **Rule 1.1. General Provisions**

##### **55 IAC 1-1.1-1 Project proposal defined**

Authority: IC 6-3.1-9-2

Affected: IC 6-3.1-9

Sec. 1. DEFINITIONS. As used in this instruction, "Project Proposal" means a specified written program design, aimed at assisting an economically disadvantaged area, submitted to the Department of Commerce for approval, in a format specified by the Department of Commerce, setting forth at a minimum:

- (1) the program to be conducted
- (2) the area to be selected
- (3) the estimated amount to be invested in the program, and
- (4) plans for implementation of the program.

*(Indiana Economic Development Corporation; 55 IAC 1-1.1-1; filed Apr 29, 1982, 10:30 am: 5 IR 1171; readopted filed Dec 2, 2001, 12:30 p.m.: 25 IR 1267)*

##### **55 IAC 1-1.1-2 Program administration**

Authority: IC 6-3.1-9-2

Affected: IC 6-3.1-9

Sec. 2. ADMINISTRATION. (a) The Director of the Department of Commerce, or his designee, after consultation with the Director of Community Services Administration and the Commissioner of the Department of Revenue, is authorized to set annual program priorities and to exercise administrative authority over all aspects of the Neighborhood Assistance Program not delegated by statute to any other agency.

(b) In administering the Neighborhood Assistance Program, the Director of the Department of Commerce, or his designee, is authorized to:

- (1) Develop annual program priorities, which can set the direction for the approval of programs and establish a focus for the Neighborhood Assistance Credit Program on an annual basis,
- (2) Develop application procedures, project proposal format and project proposal review criteria,
- (3) Receive and review project proposals,
- (4) Approve or disapprove project proposals,
- (5) Acknowledge the receipt of all project proposals and inform the proposer of the approval or disapproval of the proposal,
- (6) Notify the Department of Revenue of approved programs,
- (7) Monitor all approved projects,
- (8) Do all acts and things necessary or convenient to carry out the administration of the Neighborhood Assistance Program.

*(Indiana Economic Development Corporation; 55 IAC 1-1.1-2; filed Apr 29, 1982, 10:30 am: 5 IR 1171; readopted filed Dec 2, 2001, 12:30 p.m.: 25 IR 1267)*

##### **55 IAC 1-1.1-3 Computation of tax credit**

Authority: IC 6-3.1-9-2

Affected: IC 6-3.1-9

Sec. 3. COMPUTATION OF TAX CREDIT. The computation of tax credits depends on the following factors: (a) Total amount invested: the tax credit shall be equal to fifty percent (50%) of the total amount invested in all approved programs by a

business firm or individual; shall be computed on the basis of the total amounts invested in all qualifying projects during the tax year rather than having a separate computation for each contribution or activity in each of the economically disadvantaged areas affected.

(b) Where the contribution consists of real or personal property, or loan thereof, the value thereof shall be determined in good faith by the qualified entity, considering the amount normally allowed by the Internal Revenue Service as a charitable deduction for Federal income tax purposes, and any other accepted business or accounting standards. Value determination is further subject to approval by the State Department of Revenue.

(c) Contributions to approved programs made by a business firm or individual shall be computed by the Department of Revenue only to the extent that such contributions are earmarked and used for a single specific approved program. Such contributions shall fall within Internal Revenue Service appropriate rulings.

(d) When business firms or individuals make an inkind contribution to neighborhood programs in the nature of operating supplies or maintenance, tax credits will be granted equal to fifty percent (50%) of the costs of said items to the donor. Invoices or any other documents showing proof of costs to the donor must be submitted with the application for tax credits.

(e) The cost of personnel on loan from a business firm, or the costs of time of an individual donor, contributed to render expertise and assistance, is an acceptable program cost and eligible for a tax credit. Personnel time must be prorated, based on their normal hourly wage. The exact amount of time spent on the project must be indicated. The cost of said time may be claimed only by the donor.

(f) Employees of an organization with an approved program are not eligible for tax credits. (*Indiana Economic Development Corporation; 55 IAC 1-1.1-3; filed Apr 29, 1982, 10:30 am: 5 IR 1171; readopted filed Dec 2, 2001, 12:30 p.m.: 25 IR 1267*)

#### **55 IAC 1-1.1-4 Tax credit program limitations**

Authority: IC 6-3.1-9-2

Affected: IC 6-3.1-9

Sec. 4. LIMITATIONS. (a) Any taxpayer who has been notified of an approved tax credit and required proof of payment, not filing said proof with the Department of Revenue, may have said tax credit disallowed.

(b) Relative to programs approved for tax credit, discrimination shown on the basis of race, age, sex, creed, color, or national origin toward employees and applicants for employment shall be prohibited. Violation of such may result in disallowance of the tax credit.

(c) All programs approved for a tax credit will be subject to evaluation by the Department of Commerce and all program records will remain available for a period of five (5) years, and will during normal business hours, be open to the inspection of the Department of Commerce, Department of Revenue, or their representatives. All approved programs shall be required to make a narrative annual report as prescribed to the Department of Commerce.

(d) Programs found to be in violation of these regulations [*this section*] by the Department of Commerce or the Department of Revenue, or programs found to have a serious deviation from their plans for implementation or a major change in goals, where such change has not been reported to and approved by the Department of Commerce, will be notified in writing by the Department of Commerce, in which it will be set out, the nature of the violation and the time period allowed for correction of such violation(s).

Failure to make corrections within the allotted time period may result in disallowance of all or part of the tax credit.

(e) In the event that a tax credit was improperly granted, the Department of Revenue will notify the taxpayer of the reason for adjustment and the procedures to be followed.

(f) Where possible, residents of the disadvantaged area will be employed by programs approved under these regulations [*this section*]. Programs designed to serve disadvantaged areas must seek the maximum feasible participation of residents of the areas, so as to make those programs widely utilized by their intended beneficiaries. (*Indiana Economic Development Corporation; 55 IAC 1-1.1-4; filed Apr 29, 1982, 10:30 am: 5 IR 1172; readopted filed Dec 2, 2001, 12:30 p.m.: 25 IR 1267*)

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